

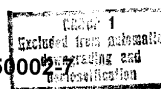
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. The 85th meeting of the CIA RETIREMENT BOARD
 convened at 2:00 p.m. on Thursday, 4 April 1968, with the following present:

25X1 [redacted] Chairman
 [redacted] DDP Member
 [redacted], DDP Member
 [redacted] Member
 25X1 Mr. Roger G. Seely, DDI Member
 [redacted] DS&T Member
 [redacted] DDS Member
 [redacted] DDS Member
 25X1 Mr. John S. Warner, Legal Adviser
 [redacted] Technical Adviser
 [redacted] Executive Secretary
 [redacted] Recording Secretary
 [redacted] DD/Pers for Special Programs

25X1 [redacted] would like to talk about the
 procedural letter that Wattles sent to Bannerman, and Bannerman sent to
 White, regarding the counseling of retirees and the scheduling of cases for
 appeals and so on. Go ahead, Gerry.

25X1 [redacted] Well, I just wanted to make a general comment,
 and that is as follows. With reference to the 26 February 1968 memo for the
 DDS from the D/Pers, tabled at the last meeting of the CIA Retirement Board,
 there are some questions of language which will require definition if the paper
 is to have official status. For example: There is a free use as an adjective
 and a noun of the word "control", a term which is used widely in CIA often to
 mean only what the user wants it to mean. If the memorandum is simply an
 internal paper we can forego comments on language in favor of the following more
 general comments reflecting the CS position. (a) We understand the RCPS role
 in this connection is to be one of serving as the central monitoring and verification
point on requests for extensions. (b) The RCPS will not "initiate" or engage in
 "joint reviews" but will, on behalf of the Director of Personnel, request as
 appropriate case reviews by the Career Service concerned. (c) Within the
 Plans Directorate, the RCPS will recognize that the channel to the individual, the
 Operating Office and the Station is through the Career Service (DDP/OPSER) and
 is not direct. Observance of the foregoing will mean that RCPS will be
 fulfilling a useful role in supplementing existing machinery.

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In other words, the way that paper was written they could just be all over the place.

25X1

[] I might say, [] we did discuss this in OP and recognized that as worded it could be-- And as Paul did, too. They sort of instinctively reacted. But the RCPS are not down there to say, "Hey, why don't you go ask for an extension." There's no question in [] mind, he meant just what you said - a safety valve, only as a court of last resort in case it has been overlooked -- but no initiation.

25X1

25X1

Now I think it was unfortunate and a lot of the agitation started on the basis of a very unusual case, which was one of these people who did not have the 12 years -- that was rather a technical point -- and they thought they should point out that even the Career Service might not recognize the fact that without 12 years they weren't entitled to certain benefits -- and even then they did go back to the Personnel Officer in the component and said, "Do you realize it's almost automatic to give these people an extension so they at least get those benefits?" And I think this kicked it off on the wrong foot.

Now there are implementing instructions being written, and they will be much more carefully worded. There is no intent to take any of the prerogatives of the operating components in terms of initiating extension requests or determining whether one should be given or not -- it's only somewhere in the review to be sure there either has or has not been a discussion on it.

25X1

[] I think it's largely a question of language, as I said.

25X1

[] Why don't we wait and take a look at the revised implementing instructions.

25X1

[] My question, [] was of another sort, and that is this now gives these people some operating functions of a type they haven't had before -- which suggests, then, that they are going to become a permanent staff and they're going to have a T/O and all that sort of thing. I think those of

25X1

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us who have detailees to this group should be informed about this and whether we're now being expected to transfer people to them, or what--

25X1

[] No. We're in a transition phase. It would have been very nice if we could have done what the Foreign Service did, pass a law and then give a year to get established how you're going to face it, and then start implementing it. They are trying to simultaneously establish a system and run it -- and it's obviously giving them a problem.

There is definitely no change in the fact we have asked for senior people as detailees to help get this program on the road. We do not have adequate ceiling to accommodate all the people. We have seven detailees, and in the Counseling Branch as it will be established there are only three slots -- the other three are sort of headroom for the Retirement Division. So we are in no position to have slots for these people, nor do we have any intention of retaining them.

25X1

[] You're getting some kind of permanent T/O as of 1 July--

25X1

[] No, not as of 1 July.
Have you requested it?
We have requested T/O but it will not be for the Counseling Branch. In other words, we have the nucleus that we got on the basis of your (indicating [] letter -- well, we got one ceiling position, as you remember. And then we actually reduced five positions elsewhere to create even the few we have. But our thought was that we weren't going to push for that because we had most of these people for what I thought was two years.

25X1

[] That's not what they said. Start out with one year, and with a discussion then as to whether the guy would come back or would be picked up -- that was the arrangement with the DD/I.

25X1

[] That was our understanding.
Paul, who were "they"?

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25X1 [] I talked to [] and people talked to me - 25X1

25X1 [] and talked about individuals, what they were going to do, the circumstances of their assignment, how long they were going to stay.

25X1 [] I'm pretty sure the DD/S program (will include slots) in the 1970 budget.

25X1 [] Yes, there has been a little change in that -- they're all going to the retirement effort but not necessarily to the counseling effort.

25X1 [] I thought we were told as of 1 July next year you would have a T/O, and whether or not you pick these people up would depend on whether they were the kind of guys you wanted.

25X1 [] I really don't believe there was any implied picking up of these people. They were detailees, and then we would see where we went from there -- that was about all. And in terms of the period of the assignments, there must have been something orally -- I don't think there is anything in writing -- and maybe we have to further clarify it.

25X1 [] I think one of the things that was said was that perhaps you would pick guys that had a stake in what they were doing because they themselves were close to retirement and this might be considered their terminal assignment.

25X1 [] I think for most of them that is the case, that most of them are on terminal assignments from your two components -- isn't that true? all of them are within two years of retirement?

25X1 [] One is and one isn't.
Ours fall into that uncertain category - whether 60 or 62.

But I took the words literally here--

25X1 [] They will be counseling individuals.
Well, counseling is one thing, but having anything to do with the making of decisions - as this term "control" suggested to me--

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25X1

[] That is a counseling checklist. They are not making determinations.

25X1

[] Here's another thing, though, Harry. I question setting up a mechanism which depends at least in large part on people who could be pulled back by their other offices and leave you without any operating personnel.

25X1

[] I'm sorry, but I felt we had an agreement we had about two years for most of these people.

25X1

[] It's no better than any other agreement around here with respect to assignments of people, if we had a need for them--

25X1

[] Maybe we better write to you and ask what your intent is.
[] Yes, I think we ought to establish this before we assign people to these functions.

25X1

[] We borrowed them so they could perform these functions. I must be missing something--

25X1

[] We had an idea of what had to be done -- we drew up a T/O and we asked for ceiling slots for it and were told categorically - "You can't have them" - but the Director wants this done and we're going to ask everybody to pitch in and help get the job done. On that basis you were asked to cough up some people. And the job is being done--

25X1

[] All right, but suppose the guy may very well fall into this category that might want to jump ship before April 30th to take advantage of this annuity -- am I then expected to supply somebody to replace him in order that you can have people to do this kind of a job?

25X1

[] We would probably come back and ask if you had another one, yes.

25X1

[] And if I said no and everybody else said no, then you couldn't perform the function. And it is this kind of temporary arrangement, it seems to me, that makes it dubious to assign much of a function to a group like this beyond counseling and kind of loose functions.

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25X1

the slots.



I'm with you -- it would be very nice if we had

I bring it up partly because I thought you were going to have better arrangements for slotting.

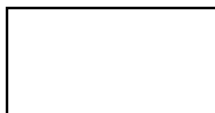
25X1



I understood that, too.

I thought after this fiscal year he would be off our T/O -- that was why we assigned this one.

25X1



I don't think that was ever implied.

Ken and I talked about it -- and this was the kind of understanding we got -- and Paul had such an understanding.

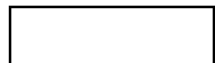
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Paul, did you have the same understanding?

This was on the assumption these guys would be doing that job they were taken out of operating slots where there is no place for these guys to go back. We have two GS-15's over there that have been just reorganized right out of business. And these guys - we didn't push them on you -- somebody said, "Look, I understand this guy is interested in this kind of work" -- they were asked for by name.

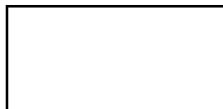
25X1



Well, we certainly have no ability to pick them

up at this time. Hopefully, by 1970 we would have. I thought we had an arrangement that this was going to last until 1970 -- we started in 1968. If that is not the case then we better re-address ourselves to this. But I don't think we ought to take the Board's time on this.

25X1



Will this be cranked into the '70 budget?

I don't want to get into the whole '70 budget -- it's kind of complicated -- but yes, there are, as Alan says, slots in the '70 budget. There aren't enough to do all the things we're trying to do -- because while you are all very conscious of the retirement counseling, the fact is the Technical Branch is the one that is really getting snowed with the workload, and they need much more help -- the Technical Branch being the ones who are implementing the new CIA Retirement System with a [redacted] of which

25X1

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25X1 are [] and his secretary, who work full time in support of this
25X1 Board -- so there are [] slots to administer all retirements -- and frankly,
they're hurting more than the retiree counseling program. So we're doing the
best we can with the ceiling we've got. And we have a current effort underway
to get some more ceiling, and if that is successful then we might be able to get
back to you with better news.

25X1 [] I think maybe if you wrote the Deputy Director,
Harry, and told him what the situation was -- I think that would be advisable.

25X1 [] To get on with the case at hand -- the one we
25X1 tabled last time -- the case of [] who is willing to be
retired under involuntary retirement. The case was tabled because there was
some question as to his meeting all of the criteria for participation in the System,
based, I believe, upon his apparent declination to serve where requested to serve.
That may not be the case. I think we asked Mike to look into it and supply
some more information.

25X1 [] Yes, and in looking into it, this is what I
have learned. This man has been an administrative handling problem primarily
for two reasons. The first is that there appeared to be a conflict of interest
that the Agency was concerned about. As I understand, []

[]

One of the reasons that they selected him to go to []

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25X1 [redacted] So in January
of this year they approached him to go to [redacted] He simply said that it was 25X1
not convenient for him to go at that time and would they consider postponing or
25X1 delaying his leaving for [redacted] for a period of 60 days. In the course of
questioning him carefully about this it came out that he was, among other things,
going to look for a job on the outside, and if he found a job he would leave the
Agency. This was music to the ears of his handlers, who were not only willing
to go to bat for delaying it for 60 days but would give him 90 days. But they
wanted the DDP to pass judgment on it, so they sent him up to have a discussion
with the DDP in February. And the DDP because of this man's excellent service
in the past was perfectly willing to delay his departure for the 90-day period
but made it very clear to him that when he came back he better have his bags
25X1 packed and ready to go to [redacted] or else leave the Agency. He said, "That's
perfectly fine with me." He's willing to go anyplace the Agency wants to
send him.

But the DDP wanted this documented, so it was turned
over to a Personnel Officer in the CS, who, during the course of the discussion
with him, found that he was emphasizing a 9-month or 10-month period for which
he wanted credit -- it was the period between January 1955 and October 1955 --
and in questioning him very closely it developed that he wanted this for purposes
of eventual retirement. And this struck the Personnel Officer for the first
time, because the question of retirement had never arisen, and he said to him,
"You mean you would be willing to retire if the Agency saw fit to retire you
right now?" And he said, "I'll retire tomorrow." At which point the Personnel
Officer told him to sit still, and he went and got his record and went over it
carefully and found this period from February 1949 to October 1951, which if
he were given credit--

25X1 [redacted] Excuse me -- you spoke about the 1955 time
before, and now you've jumped to 1969--

25X1 [redacted] That's right. He found this period of two

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years and seven or eight months which, if it could be counted toward his 25 years, would give him over 25 years of service and he could be involuntarily retired under the CIA Retirement System. So that was the subject of the memo you have here. As a matter of fact, when they found out that he would retire, the CS felt this was the answer to their problem, and so this was put to the Office of the General Counsel, and you see here the letter that came back, which would give him over the 25 years.

But I've talked to the DDP, I've talked to the Division Chief, I've talked to this man's Branch Chief, I've talked to the Personnel Officer that handled him, and at NO time, at any time, did he say he would not go to [] -- that all he wanted was, would they consider giving him this 60 or 90 days' leave.

[] But if he could get credit for this time, retirement would be the option he would select, rather than []

25X1

[] He would go right out. And this was discovered only when they were preparing the paper the DDP wanted him to sign that if he didn't find a job on the outside and returned to the Agency he better have his bags packed, because he was going directly to [] or be forced to leave the Agency. And this was a good solution to the problem, they felt.

25X1

[] Well, they said the 1955 time is not creditable-- It doesn't matter as far as the 25 years of service is concerned.

[] But the 1949 to 1951 time is creditable for time in service, but not for the annuity.

[] That is true. And I don't think the nine or ten months in 1955 are creditable, either, for annuity purposes, are they, John?

MR. WARNER: No.

[] He wasn't paying anything into the

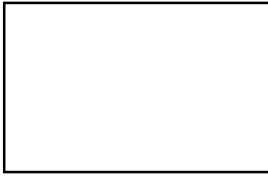
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retirement fund.

25X1

time ago?



Why wasn't he made a participant a long

That's what I don't understand. Because

he meets all the qualifications. If he had been considered in 1965 he would have been put into the System, because he had the 60 months --

25X1



So, he didn't, without those nine months--

Yes, he did.

Without those nine months?

Yes.

Are covert agents eligible for the System?

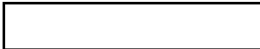
25X1

Career agents.

They have covert contract agent-- Oh, I

see, one is an employment category and the other is an occupational title.

25X1



Yes, you are right, if his case had been

considered a year ago, or two years ago, he would have been made a participant in this System, and we wouldn't have had this problem.

MR. WARNER: Well, I'm not sure there was uniform acceptance of the concept of putting a career agent in the System earlier on -- so this could be the explanation--

25X1



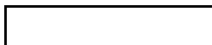
It might be, yes.

The mere fact that he didn't show up on the list -- that kind of thing.

In any event, John, you had some sort of reservation--

MR. WARNER: Mike has answered my reservation.

25X1



I would recommend he be designated as a

participant and involuntarily retired.

25X1



Support it.

I think that would be in the best interest of

the Agency.

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25X1 [] Any further discussion desired? (No
response.)

. . . Above motion was then passed . . .

25X1 [] Why can't he make retroactive payments
for that time he is not being credited with?

25X1 [] I asked the same question. There's just no
way of paying it back.

25X1 [] Now we have a case that just came in --
25X1 signed off by [] on 2 April. This is the case of [] 25X1
This man is a participant in the CIA Retirement System, is 50 years of age,
has 25 years of Federal service, 21 years of Agency service. It's a voluntary
application for retirement on April 30th. And he wants to make April 12th
his last working day in order to use up some excess leave before his retirement
date of 30 April.

25X1 [] What has 30 April got to do with it?
[] I don't know. Maybe he has another job
and he's planning to report to work on that date. But it's a last minute
application for retirement, is what it boils down to, and the time is very
short.

25X1 [] And he wants to retire 30 April. Well, he
couldn't retire any earlier -- it's always the end of the month--

25X1 [] But his annuity wouldn't start until the beginning
of the next month.

25X1 [] I'd like to make a motion it be approved.
[] Second.

. . . This motion was then passed . . .

25X1 [] I have one other point -- and I may be stealing
John's thunder here -- but you recall, [] you raised a point - or Alan 25X1

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raised the point about eligibility for the \$100 a week sick pay exclusion, that you might risk losing it at 50 with 20 years' service. I have here an OGC opinion -- and I won't read the whole thing -- (Reading from Memo for Chief, Retirement Branch, dtd 20 Feb 1967, signed by [redacted] OGC, 25X1 OGC 67-0319)

"The CIA Retirement Act does not permit a participant to retire prior to age sixty on his own application without the consent of the Director, nor is it our understanding that it is the practice of the Director at his discretion to retire participants prior to age sixty. It should be noted that under Civil Service Retirement the employee can, without the consent of his employer, retire at age fifty-five, sixty, or sixty-two depending on the number of years' service.

3. In addition, the courts have held that "retirement age" is the compulsory or customary retirement age rather than an earlier age when the employee could voluntarily retire. Pending a reexamination of the Tax Regulations, the Internal Revenue Service has indicated that it will dispose of cases in accordance with these decisions. (See CCH - Federal Tax Reporter, 67 Vol. 1, paragraph 1040.45.)

4. Therefore, it would appear that the mandatory or customary retirement age of sixty should be inserted in the Annuity Statement as has been our past practice."

So, this does mean that the 60 and 20 applies to the CIA Retirement System.

25X1 [redacted] You can claim sick pay exclusion up to age 60. So that problem evaporates.

25X1 [redacted] Right.

I do want to make one more point on these detailees.

In no case could we absorb all seven. In other words, the job, as it settles down, we would estimate would be four men, maximum. So, in any event, there will be three we couldn't use even if they were the right people.

25X1 [redacted] One final piece of business - I think a very important piece of business. We have here a memorandum from Cord

Meyer, approved by the Director, which designates [redacted] to 25X1 replace [redacted] on the CIA Retirement Board.

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This is your swan song meeting, Gerry?

25X1



What is the effective date?

I presume the effective date would be the

date of approval by the Director, which is 1 April.

MR. SEELY: We shall miss your wise counsel.

25X1



I think we ought to make Gerry a Member

Emeritus.

What does that mean?

Attend whenever you like.

Any other business? (No response.)

. . . The meeting adjourned at 2:30 p.m. . . .

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